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IRAN

This analysis of Iran focuses on the prospects for policy change in Iran and the potential for political in-fighting among groups over policy questions. The analysis examines four critical policy questions on the political agenda in Iran:

- * the pursuit of the war with Iraq
- * the role of the State in the economy
- * the extent of land reform
- * and exporting the revolution.

This study also assesses two scenarios involving prospective policy changes and political infighting among groups after Khomeini dies. Given the very limited changes forecast in the policy environment after Khomeini is gone, only one set of cartesian diagrams is presented for each issue analyzed.

Since policy preferences are likely to be determined largely by prospects for personal gain, a second set of data were collected from LDA analysts on Iran's policy toward the war with Iraq after Khomeini departs. This analysis is presented in Appendix I.

Major Findings

- (1) Ayatollah Khomeini is in a very secure political position and is likely to face few challenges to his policies. Groups able to pressure Khomeini successfully are generally supporters who advocate only modest changes.
- (2) The analysis indicates that overall, policies in Iran are not likely to change significantly after the death of Khomeini. Major political actors —Rafsanjani, Reyshahri,

the Revolutionary Guard, Khameinei and others—are not likely to engage in disruptive political debates over policy. Although these groups may adopt different policies, they do not anticipate being able to successfully challenge others while pursuing their own interests.

- (3) The analysis suggests considerable shifts in policy on land reform, the state's role in the economy, and exportation of the revolution. These shifts can be seen by contrasting the policy forecasts generated by the model with the status quo policies identified by the analysts. Given the dominant political position of the Khomeini coalition on these issues, we wonder whether there may be some intervening variable not captured in this analysis which is constraining the degree to which policy will change.
- (4) The model forecasts no change in current policy toward Iraq and the war. After Khomeini's departure this policy is likely to moderate only slightly in the direction of less aggressive engagement.
- (5) On economic issues, the forecast is for greater land reform but a smaller state role in the economy. In both cases the forecast will tend to shift toward policy Khomeini has staked out; however, he is not instrumental in achieving the outcome. This shift is likely regardless of whether Khomeini is on the scene or not.
- (6) Iran is likely to increase its efforts to export the revolution. Current policy represents a compromise between the groups advocating extreme policies; however, the results suggest that policy is likely to shift in the direction of Khomeini's position.

Khomeini Dies

Although the data inputs identify Khomeini as the single most influential actor in Iran, he does not appear to be critical in shaping Iranian policy. Other groups within the society who hold similar positions buttress Khomeini but they are not dependent on him to achieve their own policy goals. Thus, with

his departure from the political scene, there is no significant shift in the policies Iran is likely to pursue on these issues.

Khomeini and Rafsanjani Die

An alternative series of resource estimates were collected to examine the implication of the departure from the political scene of both Ayatollah Khomeini and Rafŝanjani and a weakening of Khomeini's son, Ahmed. These estimates are based on the assumption that Khomeini and Rafsanjani's departure will not alter significantly groups' resources. As a result, the forecasts suggest a continuation of current Iranian policy. Moreover, the analysis suggests that the departure of these key individuals is not likely to increase the tension between groups in the society.

25X1

Groups and Their Resources

	2000, 2000, 2000, 1 auto		Alternative
	GROUP	Resources	
	•		
Α:	KHOMEINI		
B:	MICALT MICALTHI	200	
m =	KHAMEINEI	45	75
D:	MICALL APPAREL	60	70
E:	MOSAVI-AKDABILI	35	
	KAL SANJAN I	100	****
F:	NABAVI	45	55
G:	REZAI	70	80.
H:	RAFIQDUST :	10	10
I:	KHOINIHA	50	55
J:	MONTAZERI	40	35
Κa	MAHDAVI-KHANI	40	40
L:	KHOMEINI MUSAVI KHAMEINEI MUSAVI-ARDABILI RAFSANJANI NABAVI REZAI RAFIQDUST KHOINIHA MONTAZERI MAHDAVI-KHANI KARUBI	45	50
M:	YAZDI	40	35
N:	AZERI-QOMI	45	40
0:	MESHKINI	45 40 45 60 40 20 15	45
P:	SHEIKHOLESLAM	40	45
C) :	GRAND AYATOLLAHS	20	30
R:	VELLAYATI	15	15
S:	AHMED	50	10
T:	REYSHAHRI	70	80
U:	REYSHAHRI URBAN POOR UPPER/MIDDLE CLASS REVOLUTIONARY GHARD	70 70	70
V:	UPPER/MIDDLE CLASS	5	10
	REVOLUTIONARY GUARD	5 75 20	
	ARMY	70	80
Y:		20	25
	QOM SCHOOL	15 10 8	15
A1:	TECHNOCRATS	10	15
R1 •	REVOLUTIONARY ORGS.	8	8
	FRIDAY PRAYER LDRS.		35
	MOTASHEMI-PUR	15	20
	MAJLES		45
E. 1.	MHULED .	50	55

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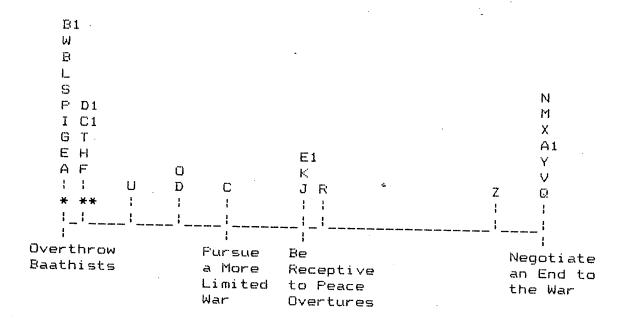
WHAT POLICY WILL BE ADOPTED REGARDING PURSUIT OF THE WAR?

According to the model, groups aligned with Khomeini and supported by Rafsanjani are likely to deflect any efforts to alter the war policy. The pursuit of the war is not likely to emerge as a major issue on the political agenda since many perceive that Khomeini has the upper hand. Although groups favoring a negotiated end to the war, such as Yazdi and the Grand Ayatollahs, believe that their resistance may result in more moderate policies, the analysis suggests that they are not likely to be successful.

Simulating Khomeini's death, the policy forecast changes only slightly toward a more moderate outcome, and the issue remains politically noncontentious. The broad coalition of interests pursuing a pro-war stance is capable of resisting any further shift in Iranian policy. Under this scenario, the political influence of Reyshahri is likely to increase because those who favor more extreme policies toward Iraq depend on him more.

25X1

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING PURSUIT OF THE WAR?



BASE CASE FORECAST: *
FORECAST WHEN KHOMEINI AND AHMED ARE REMOVED: **

GROUPS AND THEIR SALIENCE FOR THIS ISSUE

GR	<u>OUP</u>	SALIENCE	GROUP	SALIENCE
A B C D E F G H I J K L M N O P	KHOMEINI MUSAVI KHAMEINEI MUSAVI-ARDABILI RAFSANJANI NABAVI REZAI RAFIQDUST KHOINIHA MONTAZERI MAHDAVI-KHANI KARUBI YAZDI AZERI-QOMI MESHKINI SHEIKHOLESLAM	100 90 90 65 100 85 100 90 60 85 40 50 30 70 70	X: ARMY Y: BAZAARIS Z: QOM SCHOOL A1: TECHNOCRATS	40 90 70 55 SS 80 ARD 100 100 65 15 60
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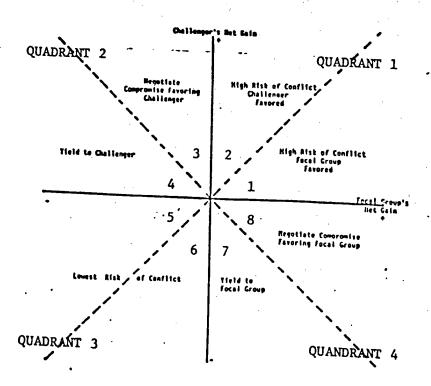
APPENDIX: A GUIDE TO INTERPRETING GRAPHICS

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The diagram below is a guide to interpreting the analytical graphs that follow. The values being plotted represent the net gain or loss of the focal group versus each challenger as estimated by the models.

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- QUADRANT I: This quadrant indicates a high risk of conflict because the focal group and the challenger both expect to gain against the other. The focal group has an advantage if the outcome falls into sector 1, and the challenger is favored if the outcome falls into sector 2.
- QUADRANT II: The challenger has the advantage in this quadrant. The focal group is likely to yield if the challenger falls in sector 4. If the outcome falls in sector 3 the focal group is likely to negotiate a compromise favorable to the challenger.
- QUADRANT III: Conflict is highly unlikely in this case, whether the challenger falls into sector 5 or 6. In contrast to Quadrant I, both the focal group and the challenger expect to lose in a contest against one another.
- QUADRANT IV: The focal group has the advantage in this quadrant. If the challenger falls into sector 8, a compromise favorable to the focal group is likely. If the challenger falls into sector 7, the challenger is likely to yield to the focal group.



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ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING PURSUIT OF THE WAR?

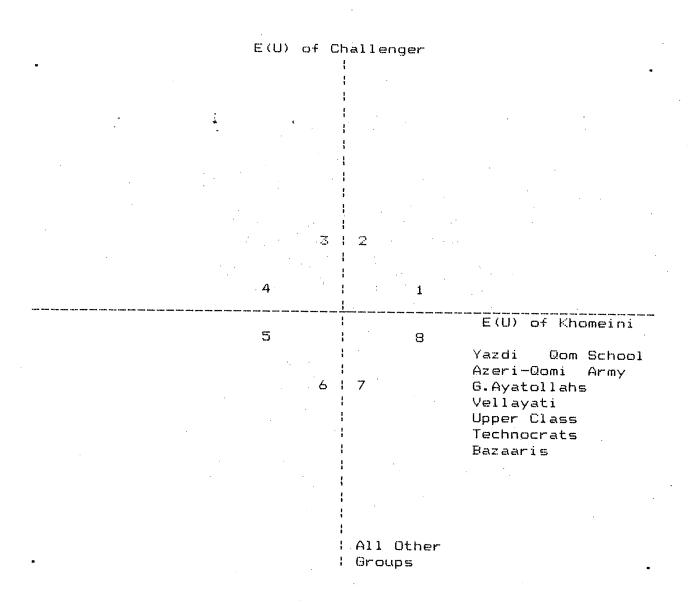
The Environment as Perceived by Khomeini

E(U) of Challenger E(U) of Khomeini 5 8 Reyshahri Motashemi-Pur All Other Groups

Conclusion: Khomeini believes that he has the advantage over all other groups, although he believes he may have to accommodate. Reyshahri and Motashemi-Pur with a minimal compromise.

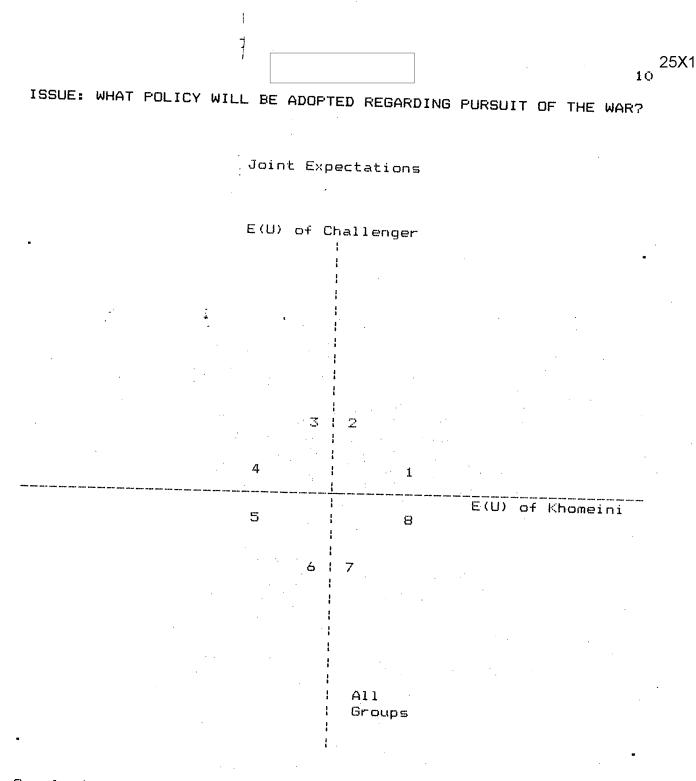
ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING PURSUIT OF THE WAR?

The Environment as Perceived by Others



Conclusion: No groups are prepared to challenge Khomeini; however, many groups including the Grand Ayatollahs and the Qom School are prepared to resist his current policy which calls for the removal of the Baathists.

25X1



Conclusion: No groups are likely to be able to challenge Khomeini on this policy.

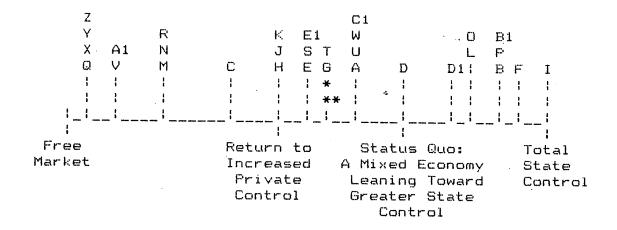
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WHAT POLICY WILL BE ADOPTED REGARDING THE STATE'S ROLE IN THE ECONOMY?

Iran is likely to rely on increased private control of the economy. This forecast represents a considerable shift from current policy of state control, but is more in line with the policy preferences of Khomeini, Rafsanjani, Rezai, and Reyshahri. This policy shift is not likely to create significant political opposition since most of the groups are prepared to accept Khomeini's preferences.

As we have noted earlier, the policy forecast does not appear to be dependent on Khomeini. If Khomeini dies, the Revolutionary Guard and its supporters—Rezai and Reyshahri—are likely to pursue greater reliance on the private sector without significant opposition.

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING THE STATE'S ROLE IN THE ECONOMY?



BASE CASE FORECAST: *
FORECAST WHEN KHOMEINI AND AHMED ARE REMOVED: **

GROUPS AND THEIR SALIENCE FOR THIS ISSUE

<u>GROUP</u>		SALIENCE	<u>GR</u>	<u>OUP</u>	SALIENCE
Α:	KHOMEINI	50	. Q:	GRAND AYATOLLAHS	60
В:	MUSAVI	90	R:	VELLAYATI	20
C:	KHAMEINEI	85	S:	AHMED	50
D:	MUSAVI-ARDABILI	80	T:	REYSHAHRI	20
E:	RAFSANJANI	50 .	U:	URBAN POOR	90
F:	NABAVI	90	V:	UPPER/MIDDLE CLASS	90
G:	REZAI	20	W:	REVOLUTIONARY GUARI	
H:	RAFIQDUST	20	Х:	ARMY	30
Ι:	KHOINIHA	80	Υ:	BAZAARIS	95
J:	MONTAZERI	90	Z:	QOM SCHOOL	30
K:	MAHDAVI-KHANI	80	A1:	TECHNOCRATS	90
L:	KARUBI	90 .	B1:	REVOLUTIONARY ORGS.	- -
M:	YAZDI	90	C1:	FRIDAY PRAYER LDRS.	
N:	AZERI-QOMI	90	D1:	MOTASHEMI-PUR	60
0:	MESHKINI	85	E1:	MAJLES	90
F:	SHEIKHOLESLAM	75 .			

13 25X1 ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING THE STATE'S ROLE IN THE ECONOMY? The Environment as Perceived by Khomeini E(U) of Challenger E(U) of Khomeini 5 Rafsanjani Rezai Reyshahri All Other

Conclusion: Khomeini believes that he needs to accommodate the demands of Rafsanjani, Rezai, and Reyshahri. These groups are pressing for a slight shift in policy favoring the private sector.

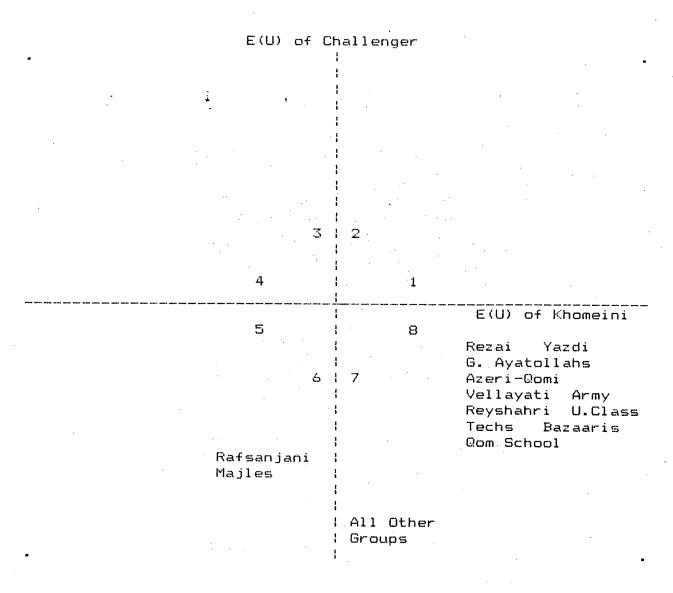
Groups

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14 25X1

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING THE STATE'S ROLE IN THE ECONOMY?

The Environment as Perceived by Others



Conclusion: Though no groups believe they can win a policy challenge with Khomeini, Rezai, Reyshahri, and other pro-market groups are prepared to pressure Khomeini on this issue. Rafsanjani, however, believes there is nothing to be gained from pressing Khomeini.

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15 25X1

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING THE STATE'S ROLE IN THE ECONOMY?

Joint Expectations

E(U) of Challenger E(U) of Khomeini 5 8 Rezai Yazdi G. Ayatollahs Azeri-Qomi Vellayati Army Reyshahri U.Class Techs Bazaaris Qom School All Other Groups

Conclusion: Rezai, Reyshahri, and their supporters are likely to be successful at extracting some compromise with Khomeini while avoiding any escalation of this issue.

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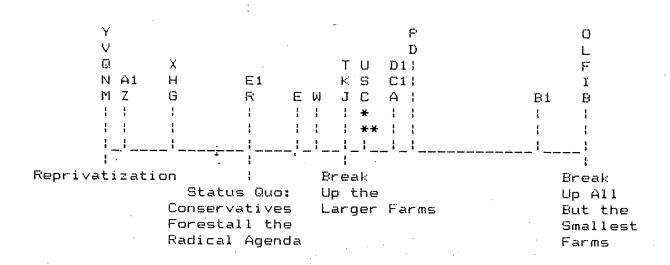
WHAT POLICY WILL BE ADOPTED REGARDING LAND REFORM?

The analysis indicates that Iranian policy toward land reform is likely to change considerably in favor of those advocating the breakup of larger farms. The forecast position is that of Khomeini's son, Ahmed.

This shift in policy is not likely to precipitate an escalation of political conflict. Khomeini believes that he needs to accommodate the more extreme elements—Musavi-Ardabili and Sheikholeslam—demanding greater land reform. However, the analysis suggests that these groups are not prepared to challenge Khomeini and are unlikely to raise this issue. A policy challenge is more likely from Ahmed and his supporters who are pressing for more than symbolic land reform but not as much as is preferred by Khomeini. This issue is not likely to escalate since, according to the model, Khomeini perceives he must compromise to them.

The policy appears to be fairly stable and the forecast is not likely to change if Khomeini dies.

ISSUE: WHAT FOLICY WILL BE ADOPTED REGARDING LAND REFORM?



BASE CASE FORECAST: *
FORECAST WHEN KHOMEINI AND AHMED ARE REMOVED: **

GROUPS AND THEIR SALIENCE FOR THIS ISSUE

<u>GR</u>	<u>OUF</u>	SALIENCE	GR	<u>OUP</u>	<u>SALIENCE</u>
A:	KHOMEINI	90	Q:	GRAND AYATOLLAHS	90
B:	MUSAVI	90	R:	VELLAYATI	15
\mathbb{C} :	KHAMEINEI	75	S:	AHMED	50
D:	MUSAVI-ARDABILI	80	Т:	REYSHAHR I	45
€:	RAFSANJANI	50	U:	URBAN FOOR	70
F:	NABAVI	90	V٤	UPPER/MIDDLE CLASS	90
G:	REZAI	10	W:	REVOLUTIONARY GUARI	
Н:	RAFIQDUST	5	Х:	ARMY	45
I:	KHOINIHA	90	. Y:	BAZAARIS	90
J:	MONTAZERI	85	Z :	QOM SCHOOL	20
K:	MAHDAVI-KHANI	60	A1:	TECHNOCRATS	60
L:	KARUBI	90	B1:	REVOLUTIONARY ORGS.	. 80
M:	YAZDI	90	C1:	FRIDAY PRAYER LDRS.	
N:	AZERI-QOMI	90	D1:	MOTASHEMI-PUR	40
0:	MESHKINI	90	E1:	MAJLES	90
P:	SHEIKHOLESLAM	75			

18 25X1 ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING LAND REFORM? The Environment as Perceived by Khomeini E(U) of Challenger E(U) of Khomeini Khameinei 5 8 Ahmed Musavi-Ardabili Urban Poor Sheikholeslam Montazeri Mahdavi-Khani

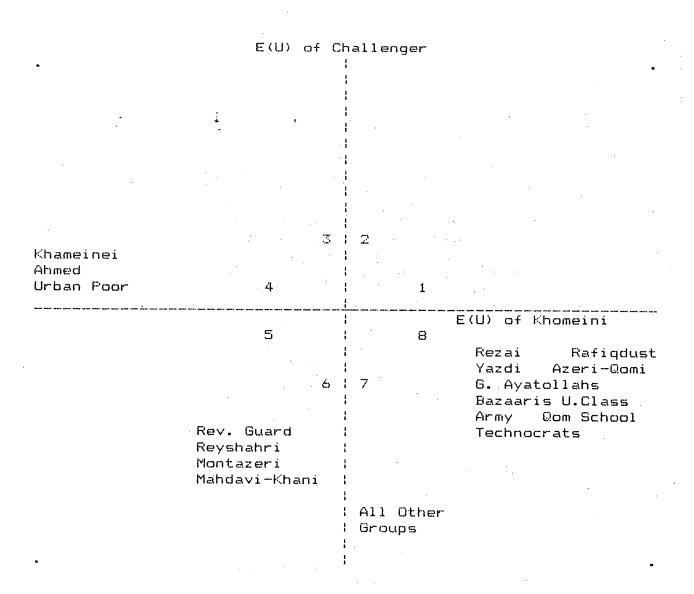
Conclusion: Khomeini believes that he needs accommodate the more extreme demands of Musavi-Ardabili and Sheikholeslam.

| All Other | Groups

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ISSUE: WHAT FOLICY WILL BE ADOPTED REGARDING LAND REFORM?

The Environment as Perceived by Others



Conclusion: Ahmed, Khameinei, and the Urban poor believe that Khomeini will need to accommodate their more moderate stance. Others groups including Rezai and Yazdi believe that they can exert pressure to moderate the degree of reform.

20 25X1 ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING LAND REFORM? Joint Expectations E(U) of Challenger Khameinei Ahmed Urban Poor E(U) of Khomeini 5 Rezai Montazeri Mahdavi-Khani All Other Groups

Conclusion: By compromising with Ahmed, Khameinei, and the Urban Poor, Khomeini is able to avoid an escalation of this issue.

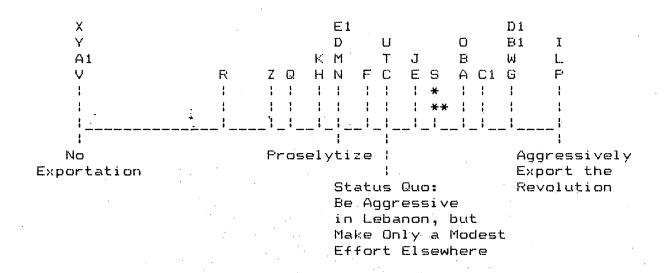
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WHAT POLICY WILL BE ADOPTED REGARDING EXPORTATION OF THE REVOLUTION?

The results suggest that a more aggressive program to export the Iranian revolution is likely. This shift, however, is countered by the extremists' belief that their efforts to alter policy will not be successful. If the issue is raised, the policy is likely to shift toward the more extreme positions advanced by Khomeini and his son, Ahmed. The new policy is not likely to precipitate a political battle since Khomeini and his supporters are able to successfully defend the new policy from both moderate and more extreme elements.

Again, the policy identified by the model does not seem to be dependent on Khomeini. The forecast outcome is the same whether he is on the scene or not.

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING EXPORTATION OF THE REVOLUTION?



BASE CASE FORECAST: *
FORECAST WHEN KHOMEINI AND AHMED ARE REMOVED: **

GROUPS AND THEIR SALIENCE FOR THIS ISSUE

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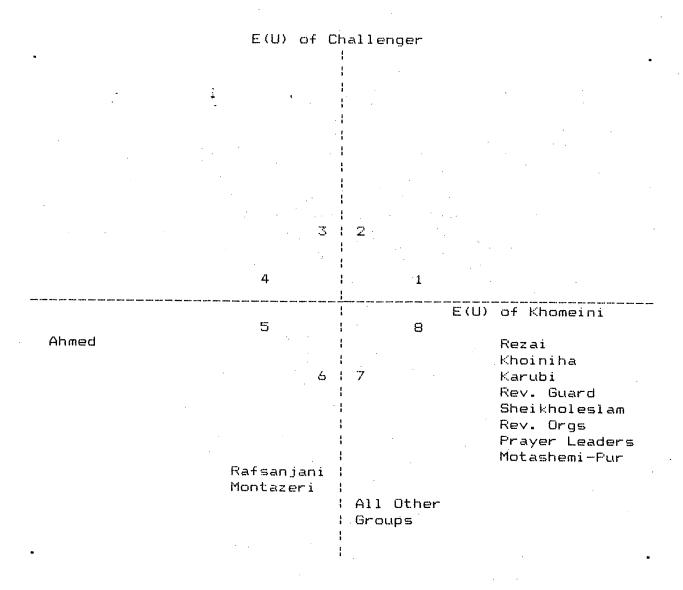
<u>GROUF</u>		<u>OUP</u>	<u>SALIENCE</u>	<u>GROUF</u>		SALIENCE
	A: B: C: D: E: F: G: H: J: K:	KHOMEINI MUSAVI KHAMEINEI MUSAVI-ARDABILI RAFSANJANI NABAVI REZAI RAFIQDUST KHOINIHA MONTAZERI MAHDAVI-KHANI	100 80 70 65 80 75 90 45 95	Q: R: S: V: V: W: X: Y: A1:	GRAND AYATOLLAHS VELLAYATI AHMED REYSHAHRI URBAN FOOR UPPER/MIDDLE CLASS REVOLUTIONARY GUARI ARMY BAZAARIS QOM SCHOOL TECHNOCRATS	45 30 45 55 15 5 85 10 5 45
	L:		90	B1:	REVOLUTIONARY ORGS.	
		MAHDAVI-KHANI KARUBI			· ····	
	M: N: O:	YAZDI AZERI-QOMI MESHKINI	45 45 85	C1: D1: E1:	FRIDAY PRAYER LDRS. MOTASHEMI-PUR MAJLES	. 65 75 45
	P:	SHEIKHOLESLAM	90			

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ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING EXPORTATION OF THE REVOLUTION?

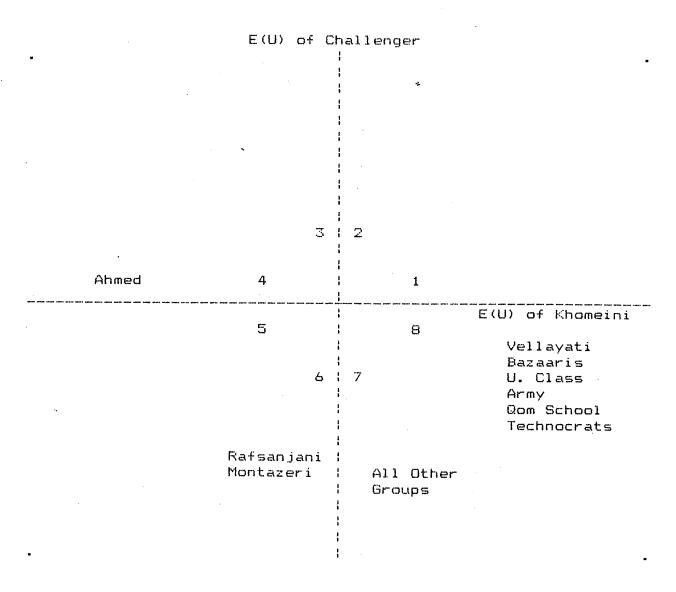
The Environment as Perceived by Khomeini



Conclusion: Khomeini believes that he faces resistance from extremists pressing for a more aggressive exportation of the revolution.

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING EXPORTATION OF THE REVOLUTION?

The Environment as Perceived by Others



Conclusion: Only groups pushing for policies more moderate than Khomeini's—some of which are more extreme than the status quo—are prepared to press Khomeini on this issue.

₂₅ 25X1 ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING EXPORTATION OF THE REVOLUTION? Joint Expectations E(U) of Challenger E(U) of Khomeini 5 8 U. Class Army Bazaaris Rafsanjani All Other Groups

Conclusion: This issue is not likely to escalate and Khomeini should be able to accommodate the competing influences seeking to alter policy.

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APPENDIX I

A second set of data were collected from LDA for Iran's policy toward the war with Iraq if Khomeini dies. This set of inputs indicates support for a more limited war policy one that stops short of overthrowing the Baathists—once Khomeini is gone. Additionally, these data assume that the changes in groups' resources with the departure of Khomeini and later Rafsanjani are greater than those in the original study.

The analysis indicates that with Khomeini's death, Iran is likely to continue to pursue its policy toward Iraq with somewhat more limited means. However, Rafsanjani, Montazeri, and Musavi-Ardabili will probably have to compromise with those pursuing more extreme policies. In this scenario, Rafsanjani holds a moderate position on this issue and his departure is apt to result in a shift toward more extreme policies.

The results suggest that in Khomeini's absence, Rafsanjani becomes more influential on this issue. Rafsanjani should be able to move policy toward his goals without encountering challenges from either more extreme or more moderate political opponents. However, in Rafsanjani's absence, the shift to a more extreme policy on the war is dependent on the continued support of the Urban Poor. If the Urban Poor moderate their position and press strenuously, they are able to shift the policy toward a more limited war.

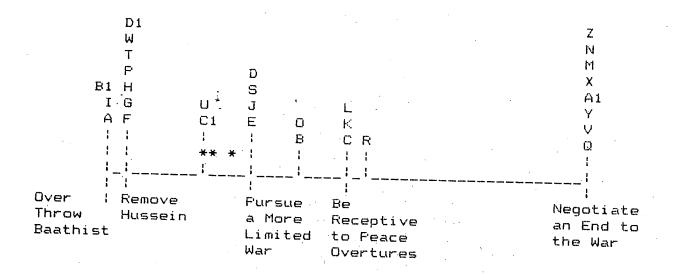
Appendix I: Groups and Their Resources

	<u>GROUP</u>		Post-Khomeini <u>Resources</u>	Post-Khomeini/ Rafsanjani <u>Resources</u>
A:	KHOMEINI		004M 10041	****
B:	MUSAVI		70	70
C:	KHAMEINEI		70	60
D:	MUSAVI-ARDABILI		40	40
E:	RAFSANJANI	•	100	
F:	NABAVI		55	6 5
G:	REZAI		80	90
H:	RAFIQDUST		20	25
Ι:	KHOINIHA		55	55
J:	MONTAZERI		75/100	35/100
K:	MAHDAVI-KHANI		40	35
	KARUBI		50	50
	YAZDI		35	35
	AZERI-QOMI		40	35
	MESHKINI	:	6 5	70
P:	SHEIKHOLESLAM		45	45
Q:	GRAND AYATOLLAHS		30	30
R:	VELLAYATI	*	15	10
S:	AHMED		20	20
	REYSHAHRI		80	80
	URBAN POOR		70	70
	UPPER/MIDDLE CLASS		5	5
	REVOLUTIONARY GUARD		80	85
X :	ARMY		50	50
Υ:	BAZAARIS		15	10
Z :	QOM SCHOOL		15	15
A1:			8	8
B1:	The second secon		35	40
C1:			20	25
D1:	MOTASHEMI-PUR		45	50

APPENDIX I

28 25X1

ISSUE: WHAT POLICY WILL BE ADOPTED REGARDING PURSUIT OF THE WAR?



FORECAST WHEN KHOMEINI IS REMOVED: * FORECAST WHEN KHOMEINI AND RAFSANJANI ARE REMOVED: **

GROUPS AND THEIR SALIENCE FOR THIS ISSUE

GF	OUP	SALIENCE	GROUP	SALIENCE
ABCDEFGHIJKLMNOF	KHOMEINI MUSAVI KHAMEINEI MUSAVI-ARDABILI RAFSANJANI NABAVI REZAI RAFIQDUST KHOINIHA MONTAZERI MAHDAVI-KHANI KARUBI YAZDI AZERI-QOMI MESHKINI SHEIKHOLESLAM	 90 90 45 100 85 100 90 60 85 40 50 40 40 70	O: GRAND AYATOLLAHS R: VELLAYATI S: AHMED T: REYSHAHRI U: URBAN POOR V: UPPER/MIDDLE CLASS W: REVOLUTIONARY GUARD X: ARMY Y: BAZAARIS Z: QOM SCHOOL A1: TECHNOCRATS B1: REVOLUTIONARY ORGS. C1: FRIDAY PRAYER LDRS. D1: MOTASHEMI-PUR	40 40 90 70 70/100 80 100 100 65 15 60 70 40